## DEPARTMENT OF HEALTH SERVICES

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(916) 657-2941

March 23, 1994

TO: All County Welfare Directors

All County Administrative Officers

All County Medi-Cal Program Specialists/Liaisons

All County Pickle Coordinators

**Letter No.**: 94-33

FORM DHS 7021 AND THE VALUE OF THE ONE-THIRD REDUCTION (VTR)

Ref.: Pickle Handbook 11, Page 14-11, Item 1

The purpose of this letter is to clarify the change made to page 14-11, item 1, Pickle Handbook 11. The change in language was made to correct the statement in "Principal" which said, "Reduce the applicable payment level by one-third VTR. The VTR is the same as the payment level for a person 'living in the household of another'". It now says, "Reduce the applicable payment level by one-third the Federal Benefit Rate (FBR). Use the VTR".

One county asked for clarification of how to now compute the DHS 7021, particularly with respect to what line F1 means. Line F1 says to enter the "current SSI/SSP payment level for an individual or couple".

The SSI/SSP payment level chart for 1994 (page 16-1) of the Pickle Handbook shows the SSI level as \$297.34 for an individual living in the household of another. Such an individual is subject to the VTR. The \$297.34 SSI level represents the amount remaining after the VTR is applied to the \$446 FBR. When the \$179.43 SSP is added, the applicable total payment is \$476.77. Therefore, \$476.77 is the amount that results after VTR applies. It would then be incorrect to also enter the VTR amount on line E1 where it would also be treated as income and deducted from the payment level which already accounts for VTR.

Therefore, when doing a VTR financial determination on the DHS 7021, place a zero in the space for Part E, 1. Also, use the SSI/SSP amount of Household of Another in the space for F1. See the described change in the enclosed DHS 7021.

Note: The DHS 7044 is only used for Presumed Maximum Value (PMV) calculations.

All County Welfare Directors
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If you have any questions, please contact Sylvia Finberg of my staff at (916) 657-0080.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief Medi-Cal Eligibility Branch

**Enclosure** 

## FINANCIAL ELIGIBILITY WORKSHEET (Individual or Couple, Applicant With an Ineligible Spouse)

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